



## ***San Jose Fire Fighters • Local 230***

425 E. Santa Clara Street, Suite 300, San Jose, CA 95113 • (408) 286-8718 • FAX (408) 286-2577



September 19, 2014

*Via E-Mail & U.S. Mail*

Ed Shikada, City Manager  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113-1905

**Re: IAFF Local 230 and City of San Jose  
(Tier 2 Retirement)**

Dear Ed:

The decision of the award of the arbitration board in the interest arbitration pursuant to Section 1111 of the San Jose City Charter concerning this matter was issued on September 12, 2014. Under the provisions of Charter Section 111, the decision and award of the arbitration board will become final ten days later, on September 22, 2014 absent further agreement between the parties.

Measure B is a disaster for public safety services. Employee migration from the San Jose Police Department continues unabated. Measure B's non-competitive benefit structure stymies recruitment efforts to increase the number of officers. And under Measure B, no public safety employee is ensured a benefit, or a job, if disabled from service. In short, Measure B threatens to render the San Jose Police Department non-functional.

We are aware that Measure B has already impacted Fire Department recruitment efforts. IAFF, Local 230 does not want the San Jose Fire Department to suffer like the Police Department from Measure B's non-competitive provisions.

Currently, the City of San Jose served by the fewest number of firefighters per thousand residents of any major metropolitan area in the country. We cannot afford the obstacles posed by Measure B to staffing San Jose Fire Department. We need to rebuild and expand the SJFD to meet the service needs of our community.

Accordingly, Local 230 makes the following proposal with respect to retirement benefits for Tier 2 firefighters hired after Measure B's enactment. If accepted by the City Council, a vote of the People would be required since the proposal, while similar to benefits in place with other municipalities, provides benefits greater than those afforded under Measure B.

For five months, Local 230 met with you and other City representatives to discuss and resolve all Measure B imperfections. Consistent with some, but not all of the jointly developed solutions crafted by us to address the destruction wrought by Measure B, Local 230 proposes the parties agree to the following:

1. That the San Jose Police and Fire Retirement Plan be amended to adopt a prevailing statewide definition of disability, i.e., occupationally based disability.
2. That the panel of experts set forth in Measure B (Charter Section 1509-A(c)), be retained, subject to agreement on specific procedures for appointment, etc., through ordinances.
3. That the provisions of Measure B concerning the provisions of an Administrative law Judge to determine disability applications (Section 1509-A(c)), be retained, subject to agreement on specific procedures, etc., through ordinances.
4. That the current municipal code on offset provisions on disability earnings until eligibility for service retirement be retained and that the parties continue discussion on limits to occupationally similar employment post-disability retirement.
5. That the Plan be amended to prohibit post-retirement conversions of Plan members from service retirement to disability retirement, unless the member concurrently files for disability retirement at the time of applying for service retirement. This prevents employees from retroactively trying to convert a service retirement to a disability retirement unless a disability retirement is file at the time of retirement.
6. That the Plan be amended to provide a competitive Tier 2 retirement plan, consistent with state law, with the following terms to retain and attract firefighters:
  - a. Pre-1997 plan benefit structure: 2.5% yearly accrual rate, 75% maximum cap with benefits, 3-Year Final Average Salary calculation.
  - b. Minimum retirement age of 55 or any age of thirty years of service.
  - c. Early retirement with reduced payments that do not exceed the actuarial value of full retirement.
  - d. 50/50 share of normal cost (employee/City).
  - e. Annual CPI cost of living adjustment capped at 2% per year.

- f. Firefighters hired under the Tier 2 benefits provided by the arbitration board decision and award to be moved to the revised Tier 2, splitting any underlying costs for time in the Tier 2 system.
- g. Former San Jose City firefighters and new lateral hires would be permitted "legacy/classic" status (i.e., employed by City of San Jose or reciprocal agency on or before June 6, 2012) to return to City of San Jose as members of Tier 1 of the Plan.

The foregoing benefits structure exists in other municipalities within the State of California. They would place the city on an equal footing in terms of recruitment and retention of San Jose Firefighters.

Adoption of this proposal would prevent the disaster that is occurring in the San Jose Police Department from spreading to the San Jose Fire Department.

We urge you and the City Council to consider this proposal.

If you have any questions, we will be pleased to meet to discuss this proposal.

Very truly yours,



JOEL PHELAN, President  
San Jose Firefighters Local 230